

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is entered between Financial Network Investment Corporation (hereinafter "Financial Network") and C. DELBERT HOSEMANN, JR. in his official capacity as MISSISSIPPI SECRETARY OF STATE.

PARTIES

1. FINANCIAL NETWORK INVESTMENT CORPORATION (hereinafter "FNIC"), CRD No. 13572, is a broker-dealer and investment adviser registered in the State of Mississippi.
2. JOHN BOYCE TALBERT, III (hereinafter "Talbert"), CRD No. 1759653, formerly was employed by FNIC in the position of investment adviser representative and broker-dealer agent, doing business as Talbert Financial Services.
3. C. Delbert Hosemann, Jr. is the duly elected Secretary of State for the State of Mississippi.

JURISDICTION

4. FNIC acknowledges the jurisdiction of the Secretary of State over the parties and the subject matter of this Memorandum of Understanding.

RECITALS

5. On October 16, 2007, an examiner from the Division conducted an on-site examination of the FNIC/Talbert office.
6. As a result of the exam, the Division determined that Talbert failed to comply with FNIC's written supervisory and compliance procedures by conducting seminars that had not been approved by FNIC, by failing to submit marketing materials to FNIC for approval, and by failing to disclose all outside business activities.
7. As a result of the exam, the Division determined that FNIC failed to enforce the firm's written supervisory procedures designed to prevent Talbert's unapproved activities.
8. Further, the Division determined that FNIC failed to establish written supervisory procedures designed to prevent and detect

violations of the Securities Act and the Securities Act Rules promulgated thereunder.

TERMS OF THE AGREEMENT

NOW THEREFORE, in resolution of this matter as to FNIC, without formal administrative hearing and determination of wrongdoing, but instead as an informal resolution of the matters described herein, the Division and FNIC have entered into this Memorandum of Understanding whereby FNIC undertakes as follows:

9. FNIC agrees to abide by the provisions of the Mississippi Securities Act and Rules as currently in effect and as may be subsequently amended.
10. FNIC agrees to establish procedures to periodically check public records to detect if its agents in Mississippi are conducting unapproved outside business activities.
11. FNIC agrees to reimburse the Division for its costs incurred in performing the examination in the amount of Three Thousand Five Hundred Dollars (\$3,500.00).
12. This Memorandum of Understanding is in resolution of all matters arising from the Division's examination. As a result of this Memorandum of Understanding the matters contained herein cannot be used as a basis for action by the Division except in determining any penalty as may be imposed by the Division for any future violations of the Act committed by FNIC and as set forth below.
13. If FNIC fails or neglects to comply with any of the terms, stipulations or undertakings set forth in this Memorandum of Understanding, the Division may, without notice to FNIC, unilaterally rescind this Memorandum of Understanding and institute any legal or administrative proceedings it deems appropriate including, but not limited to, proceedings to address the matters set forth herein.

FNIC hereby acknowledges that the undersigned has read this Memorandum of Understanding in its entirety and fully understands the terms, and FNIC's rights and obligations contained herein.

The undersigned agent for FNIC acknowledges that she/he has been lawfully vested with the authority to enter into this Memorandum of Understanding on behalf of FNIC.

C. DELBERT HOSEMANN, JR.
Secretary of State

BY: Patricia Melvin
PATRICIA MELVIN
Senior Attorney
Business Regulation and Enforcement

Date: March 17, 2008

FINANCIAL NETWORK INVESTMENT
CORPORATION

BY: A. H. J.

TITLE: Chief Compliance Officer

Date: 3/17/2008

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